

Senate File 421 - Introduced

SENATE FILE 421
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SSB 1172)

(COMPANION TO HF 510 BY
COMMITTEE ON COMMERCE)

A BILL FOR

- 1 An Act relating to enhanced E911 emergency communication
- 2 systems, and providing penalties.
- 3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 34A.7, subsection 1, paragraph a, Code
2 2013, is amended by striking the paragraph and inserting in
3 lieu thereof the following:

4 a. To encourage local implementation of E911 service, one
5 source of funding for E911 emergency communication systems
6 shall come from a surcharge per month, per access line on each
7 access line subscriber, of one dollar.

8 Sec. 2. Section 34A.7, subsection 1, paragraph b,
9 subparagraph (1), Code 2013, is amended to read as follows:

10 (1) The program manager shall notify a local exchange
11 service provider scheduled to provide exchange access line
12 service to an E911 service area that implementation of an E911
13 service plan has been approved by the joint E911 service board
14 ~~and by the service area referendum~~ and that collection of the
15 surcharge is to begin within sixty days.

16 Sec. 3. Section 34A.7, subsection 5, Code 2013, is amended
17 to read as follows:

18 5. *Use of moneys in fund — priority and limitations on*
19 *expenditure.*

20 a. Moneys deposited in the E911 service fund shall be
21 used for the repayment of any bonds issued for the benefit
22 of or loan made to the joint E911 service board pursuant to
23 sections 34A.20 through 34A.22, and as long as any such bond
24 or loan remains unpaid the surcharge shall not be reduced or
25 eliminated. Moneys deposited in the fund shall be subject to
26 such terms and conditions as may be contained in the relevant
27 bond documents, trust indenture, resolution, loan agreement, or
28 other instrument pursuant to which bonds are issued or a loan
29 is made, without regard to any limitation otherwise provided
30 by law. ~~The surcharge may be increased, but shall not exceed~~
31 ~~the maximum allowed in subsection 1, upon approval of the~~
32 ~~authority upon such terms and conditions as may be contained~~
33 ~~in the relevant bond documents, trust indenture, resolution,~~
34 ~~loan agreement, or other instrument pursuant to which bonds are~~
35 ~~issued or a loan is made, as deemed necessary or prudent by the~~

1 ~~authority to secure repayment and assure marketability or a~~
2 ~~reasonable interest rate.~~

3 b. Moneys deposited in the E911 service fund shall be used
4 for the following, in order of priority if paragraph "a" does
5 not apply:

6 (1) Money shall first be spent for actual recurring costs of
7 operating the E911 service plan.

8 (2) If money remains in the fund after fully paying for
9 recurring costs incurred in the preceding year, the remainder
10 may be spent to pay for nonrecurring costs, not to exceed
11 actual nonrecurring costs as approved by the program manager.

12 (3) If money remains in the fund after fully paying
13 obligations under subparagraphs (1) and (2), the remainder may
14 be accumulated in the fund as a carryover operating surplus.
15 ~~If the surplus is greater than twenty-five percent of the~~
16 ~~approved annual operating budget for the next year, the program~~
17 ~~manager shall reduce the surcharge by an amount calculated to~~
18 ~~result in a surplus of no more than twenty-five percent of the~~
19 ~~planned annual operating budget. After nonrecurring costs have~~
20 ~~been paid, if the surcharge is less than the maximum allowed~~
21 ~~and the fund surplus is less than twenty-five percent of the~~
22 ~~approved annual operating budget, the program manager shall,~~
23 ~~upon application of the joint E911 service board, increase the~~
24 ~~surcharge in an amount calculated to result in a surplus of~~
25 ~~twenty-five percent of the approved annual operating budget.~~
26 ~~The surcharge may only be adjusted once in a single year, upon~~
27 ~~sixty days' prior notice to the provider.~~

28 Sec. 4. Section 34A.7, subsection 7, Code 2013, is amended
29 by striking the subsection.

30 Sec. 5. Section 34A.7A, subsection 1, paragraphs a and b,
31 Code 2013, are amended to read as follows:

32 a. ~~Notwithstanding section 34A.6, the~~ The administrator
33 shall adopt by rule a monthly surcharge of ~~up to sixty-five~~
34 ~~cents~~ one dollar to be imposed on each communications service
35 number provided in this state. The surcharge shall be

1 imposed uniformly on a statewide basis and simultaneously
 2 on all communications service numbers as provided by rule
 3 of the administrator. The surcharge shall not be imposed
 4 on wire-line-based communications or prepaid wireless
 5 telecommunications service.

6 *b.* The program manager shall provide no less than
 7 sixty days' notice of the surcharge to be imposed to each
 8 communications service provider. ~~The program manager, subject~~
 9 ~~to the sixty-five cent limit in paragraph "a", may adjust the~~
 10 ~~amount of the surcharge as necessary, but no more than once in~~
 11 ~~any calendar year.~~

12 Sec. 6. Section 34A.7A, subsection 2, Code 2013, is amended
 13 by adding the following new paragraph:

14 NEW PARAGRAPH. *Ob.* The program manager shall allocate
 15 thirteen percent of the total amount of surcharge generated
 16 to wireless carriers to recover their costs to deliver E911
 17 phase 1 services. If the allocation in this paragraph is
 18 insufficient to reimburse all wireless carriers for such
 19 carrier's eligible expenses, the program manager shall allocate
 20 a prorated amount to each wireless carrier equal to the
 21 percentage of such carrier's eligible expenses as compared to
 22 the total of all eligible expenses for all wireless carriers
 23 for the calendar quarter during which such expenses were
 24 submitted. When prorated expenses are paid, the remaining
 25 unpaid expenses shall no longer be eligible for payment under
 26 this paragraph.

27 Sec. 7. Section 34A.7A, subsection 2, paragraph e, Code
 28 2013, is amended to read as follows:

29 *e.* If moneys remain in the fund after fully paying all
 30 obligations under paragraphs "*a*" ~~through, "*Ob*", "*b*", "*c*",~~
 31 ~~and "*d*"~~, the remainder may be accumulated in the fund as a
 32 carryover operating surplus. This surplus shall be used
 33 to fund future network and public safety answering point
 34 improvements, including hardware and software for an internet
 35 protocol-enabled next generation network, and wireless

1 carriers' transport costs related to wireless E911 services, if
2 those costs are not otherwise recovered by wireless carriers
3 through customer billing or other sources and approved by the
4 program manager in consultation with the E911 communications
5 council. Notwithstanding section 8.33, any moneys remaining
6 in the fund at the end of each fiscal year shall not revert to
7 the general fund of the state but shall remain available for
8 the purposes of the fund.

9 Sec. 8. Section 34A.7A, Code 2013, is amended by adding the
10 following new subsection:

11 NEW SUBSECTION. 5. *a.* The program manager, in consultation
12 with the E911 communications council, shall establish a
13 methodology for determining and collecting comprehensive public
14 safety answering point cost and expense data through the county
15 joint E911 service boards. The methodology shall include
16 the collection of data for all costs and expenses related to
17 the operation of a public safety answering point and account
18 for the extent to which identified costs and expenses are
19 compensated for or addressed through E911 surcharges versus
20 other sources of funding.

21 *b.* Data collection pursuant to paragraph "a" shall commence
22 no later than January 1, 2014. The program manager shall
23 prepare a report detailing the methodology developed and
24 the data collected after such data has been collected for a
25 two-year period. The report shall be submitted to the general
26 assembly by March 1, 2016, and every two years thereafter.

27 *c.* A county joint E911 service board which fails to submit
28 expenses and costs pursuant to the methodology developed
29 pursuant to paragraph "a" by March 31 of each year shall be
30 allocated sixty-five cents out of the one dollar emergency
31 communications service surcharge until March 31 of the
32 following year. Remaining funds shall be held in the carryover
33 operating surplus fund until the expenses and cost report is
34 submitted by the county joint E911 service board. If the
35 county joint E911 service board submits the expense and cost

1 report before March 30 of the following year, the set aside
2 funds shall be provided to the county joint E911 service board.
3 If the county joint E911 service board fails to submit the
4 expense and cost report within one year, funds shall revert to
5 the carryover operating surplus fund and be used in accordance
6 with section 34A.7A, subsection 2, paragraph "e".

7 Sec. 9. REPEAL. Sections 34A.6 and 34A.6A, Code 2013, are
8 repealed.

9 EXPLANATION

10 This bill modifies provisions applicable to the
11 administration and funding of enhanced E911 emergency
12 communication systems.

13 The bill eliminates existing voter referendum requirements
14 regarding imposition of the local wire-line E911 service
15 surcharge and the alternative surcharge applicable to wire-line
16 communications contained in Code sections 34A.6 and 34A.6A,
17 respectively. The bill replaces current provisions authorizing
18 imposition of the wire-line E911 service surcharge in an amount
19 up to \$1 per access line with a requirement that the surcharge
20 be imposed at the \$1 level. The bill increases the level of
21 the emergency communications service surcharge from the current
22 level of up to 65 cents per communications service number to
23 \$1 per service number.

24 The bill reinstates provisions authorizing wireless carriers
25 to recover their E911 service delivery costs which were
26 eliminated during the 2012 legislative session. However, the
27 bill specifies that the program manager shall allocate 13
28 percent of the total amount of emergency communications service
29 surcharge revenue for such cost recovery. Further, the bill
30 requires the E911 program manager to consult with the E911
31 communications council regarding how revenue accumulated in the
32 emergency communications fund as carryover operating surplus
33 shall be allocated. Currently, this determination is made
34 strictly with the approval of the program manager.

35 Additionally, the bill directs the program manager, in

1 consultation with the council, to establish a methodology
2 for determining and collecting comprehensive public safety
3 answering point cost and expense data through the county
4 joint E911 service boards. The bill states that data
5 collection shall commence no later than January 1, 2014, and
6 that the program manager shall prepare a report detailing
7 the methodology and the data collected after the data has
8 been collected for two years. The report is required to be
9 submitted to the general assembly by March 1, 2016, and every
10 two years thereafter. The bill provides that a county joint
11 E911 service board which fails to submit expenses and costs
12 pursuant to the methodology by March 31 of each year shall
13 be allocated 65 cents out of the \$1 emergency communications
14 service surcharge until March 31 of the following year. The
15 remaining funds shall be held in the carryover operating
16 surplus fund until the expenses and cost report is submitted
17 by the county joint E911 service board. Further, the bill
18 provides that if the county joint E911 service board submits
19 the expense report prior to March 30 of the following year,
20 the set aside funds shall be provided to the board, but if
21 the board fails to submit the report within one year, the
22 funds shall revert to the carryover operating surplus fund
23 and be used in accordance with Code section 34A.7A. That
24 Code section states that carryover surplus funds shall be
25 used to fund future network and public safety answering
26 point improvements, including hardware and software for an
27 internet protocol-enabled next generation network, and wireless
28 carriers' transport costs related to wireless E911 services, if
29 those costs are not otherwise recovered by wireless carriers
30 through customer billing or other sources and approved by the
31 program manager.